

My bill would cut the scheduled interest rate increase. The average student debt of \$17,500 has increased by more than 50 percent over the last 10 years. When students decide to take out a student loan, they are making a decision that can affect their lives for years and years beyond graduation. In some cases, a loan payment may be as high, or higher, than the amount they pay for rent or to buy a car.

Large debt burdens can keep graduates from entering fields they really want to enter and force them to go for the biggest paycheck.

A public interest research group recently said that more than a third of borrowers who graduate from private, 4-year colleges would face an "unmanageable" debt on a starting teacher's salary, meaning they would need to set aside more than 8 percent of their pay to cover the student loans, diminishing the likelihood that they would become a teacher. Other significant life choices, such as buying a home or a car or starting a family or even a marriage may be delayed because of high student loan payments that are made worse by the policies of this administration and this Republican Congress.

My Reverse the Raid on Student Aid bill reflects the type of serious investment I believe we have to make to ensure the future success of our young generation.

Students who are qualified to go to college, students who want to go to college, students who can make valuable economic intellectual and cultural contributions to America by pursuing higher education should not be kept away from school because they don't have the money. These students have our future.

If we want to move ahead in a global economy, we are not going to do it by importing talent from overseas. We have home-grown talent in America. This is a land of opportunity so long as we create the opportunity in schools across America, including our colleges and universities.

The policies on student loans pushed by this Bush-Cheney administration go in the wrong direction. An investment in our kids' education—and this is an old cliché, but it is true—is an investment in our future. The best thing we can do is make sure higher education is accessible, and whenever the higher education reauthorization bill is considered by the full Senate, I hope we will have an opportunity to debate what happened to student financial aid.

Lots of Members of Congress are going to hear from these students and parents when they realize after July 1 what has been done to them. We cannot continue to place the burden of paying for tax cuts on the backs of students and their families. It is not fair to them, nor is it the right thing to do for the future of our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

## ASBESTOS REFORM

Mr. SPECTER. Mr. President, I have 5 minutes allotted to me. I spoke yesterday extensively on the pending legislation, and I will use my 5 minutes on another subject.

The subject relates to an article in the Hill newspaper today, which is captioned, "Holtz-Eakin Delivers Blow on Asbestos."

Dr. Holtz-Eakin had been Director of the Congressional Budget Office and had testified at an earlier hearing on asbestos reform that the cost of the program would be between \$120 billion and \$150 billion, which was within range of the \$140 billion allocated to the trust fund. But Dr. Holtz-Eakin later went to work for a foundation that was funded with \$5 million by AIG Insurance Company and other insurers, where they had a vested interest in trying to defeat the bill.

I have today written to the Hill and want to make these comments for all of my colleagues to hear. They can be most succinctly handled by my reading the letter that I am sending. It goes to the editor of the Hill:

Dear Editor:

Your June 27 article "Holtz-Eakin Delivers Blow on Asbestos" would have been more accurately captioned, "Holtz-Eakin Tries to Change his Testimony after Being Hired and Paid by the Bill's Opponents."

The fact is, as the notes of testimony disclose, Dr. Holtz-Eakin did not change his testimony when he said:

"The first statement, when I was Director of CBO, remains true today."

In an earlier statement, which he submitted when he was Director of CBO, he said: "CBO expects the value of valid claims likely to be submitted to the fund over the next 50 years can be between \$120 billion and \$150 billion."

That conclusion puts the cost within the reasonable parameters of the \$140 billion trust fund.

Dr. Holtz-Eakin made an unsuccessful effort to say that the trust fund would not be terminated, as provided for in the legislation, if the trust fund ran out of money. Dr. Holtz-Eakin conceded:

"The administrator will have the option to terminate the fund. . . ."

Then Dr. Holtz-Eakin speculated:

"It is my judgment and my judgment alone that in the future Congress would continue this program. . . ." That would obviously require a changed congressional decision since the bill stipulates the fund would be terminated if it ran out of money. It is only Dr. Holtz-Eakin's speculation that the program would be continued and then spend more money.

The Hill article correctly noted that Dr. Holtz-Eakin's effort to change his testimony arose because he:

"became the head of a think tank funded by a foundation set up by one of the biggest opponents of asbestos reform bill, American International Group, an insurance giant better known by its acronym AIG."

The Hill article then noted that Dr. Holtz-Eakin was invited to the Judiciary Committee hearing by the opponents of the bill and that the "Coalition for Asbestos Reform," an organization funded by major insurance companies opposed to the bill, issued a press release on the day of his testimony claiming he was validating the Coalition's criticism. Obviously, it was pre-arranged be-

tween Dr. Holtz-Eakin and the Coalition since the Coalition had information in advance and was prepared to make the announcement in a press release the day of his testimony.

Anyone, including the Coalition, can raise any objections they wish, but they ought to disclose the basis for Dr. Holtz-Eakin's effort to defeat the legislation because he, as The Hill pointed out, "became the head of a think tank funded by the insurance company opponents of the bill."

Dr. Holtz-Eakin's bias and conflict of interest renders his later testimony meaningless. It all shows how desperate the "Coalition for Asbestos Reform" is and how the Coalition is grasping at straws and buying testimony to try to defeat this important reform legislation.

And then I signed the letter.

I ask unanimous consent that the Hill article and the relevant points from the transcript be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Hill, June 27, 2006]

### HOLTZ-EAKIN DELIVERS BLOW ON ASBESTOS

(By Alexander Bolton)

Douglas Holtz-Eakin delivered a significant blow against the effort to revive asbestos-reform legislation when he testified earlier this month that a cost assessment of the measure he had provided in November as director of the Congressional Budget Office (CBO) was unrealistic.

Some say that the testimony was a surprising reversal, but others note that since leaving the CBO Holtz-Eakin has taken a position created by a \$5 million grant from a source adamantly opposed to the controversial legislation.

Holtz-Eakin is highly regarded on Capitol Hill, attracting praise from both sides of the aisle. But the funding of his organization has raised some conflict-of-interest concerns about his views on the pending asbestos-reform bill.

Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) is pushing to bring the bill to the floor for a vote, but Senate Majority Leader Bill Frist (R-Tenn.) has said he will not do so unless it clearly has enough support to pass. A previous effort by Frist to pass the legislation fell a few votes short this year.

As CBO director, Holtz-Eakin testified to the Senate Judiciary Committee that a trust fund that would be set up by the bill to pay asbestos-related medical claims would have little effect on the federal budget.

But when he appeared again before the committee seven months later, Holtz-Eakin compared the trust fund to three of the largest mandatory government programs, Social Security, Medicare and Medicaid, and declared that now is "a particularly bad time" to start such a new program.

Critics of the Specter legislation have criticized it as a costly program that could significantly add to the deficit years down the road.

At the beginning of this year, Holtz-Eakin became the head of a think tank funded by a foundation set up by one of the biggest opponents of the asbestos-reform bill, American International Group, an insurance giant better known by its acronym AIG.

AIG is one of several entities that have poured tens if not hundreds of thousands of dollars into an effort to defeat the asbestos reform bill, according to internal industry documents.

AIG also created the charity organization that endowed a think tank, the Maurice R.

Greenberg Center for Geoeconomic Studies, named after AIG's longtime chairman, that Holtz-Eakin now heads.

Holtz-Eakin has become a pivotal player in the behind-the-scenes battle to bring asbestos reform back to the Senate floor because of his residual authority as Congress's former chief accountant. Holtz-Eakin's damaging testimony on the asbestos bill was widely reported.

And the Coalition for Asbestos Reform, an alliance of corporations that oppose Specter's asbestos-reform bill that is lobbying senators on the issue, has pounced on Holtz-Eakin's words as support for their position.

"The testimony of former Congressional Budget Office Director Douglas Holtz-Eakin validates the criticism that the Coalition for Asbestos Reform has made for many months about a federal trust-fund approach to the asbestos litigation situation," the coalition announced in a press release the day of the testimony.

Specter said at the hearing that there was "a 180-degree difference" between what Holtz-Eakin estimated the program would cost as CBO director and his subsequent comment that its cost was highly uncertain. The first time Holtz-Eakin testified it was at Specter's invitation as CBO chief. The second time he was invited by an opponent of the bill, though it is unclear which member sought his testimony.

The coalition, which is funded in part by AIG, identified Holtz-Eakin as an important figure in a planning document it drafted in December. The document quoted Holtz-Eakin's testimony the previous month on the trust fund and suggested portions that could be used to undermine the bill by questioning the accuracy of CBO's cost estimates and bolstering the credence of much-higher-cost projections.

The planning document also identified AIG as one of the nine biggest funders of the Coalition for Asbestos Reform, along with other major insurance firms: Allstate, Hartford Insurance, Liberty Mutual and Nationwide Insurance.

AIG's founder has also provided the bulk of the funding for the geoeconomic-studies center that Holtz-Eakin now heads. The center was endowed with a \$5 million grant from the Starr Foundation in 2000, according to the publicly available 990 form that the foundation submitted to the Internal Revenue Service.

The foundation, in turn, was established by AIG's founder, Cornelius Vander Starr. It earned nearly \$50 million by selling 470,000 shares of AIG in 2000, according to the tax form.

Ken Frydman, foundation spokesman, said the group had no role in hiring Holtz-Eakin to head the Greenberg Center.

Specter asked Holtz-Eakin at this month's hearing if the difference between his earlier and later testimonies was "attributable to [his] position working for the Greenberg Center." But Specter did not discuss the sums of money involved, and news accounts of the hearing did not report Specter's concern.

"I receive no funds from AIG, and my views today are my own," Holtz-Eakin replied. The former CBO chief said that he is merely director of the Greenberg Center and that he is "funded by the Council on Foreign Relations." "And my funding is from the Paul Volcker Chair in International Economics," he added.

The council, too, has received substantial funding from the Starr Foundation. The council has received \$27 million in grants from the foundation since 1960, said Anya Schmemmann, the Council on Foreign Relations' spokeswoman.

Holtz-Eakin defended his conflicting testimony in a recent interview. He said that as

CBO director his job was to put a price tag on legislation, not to give his opinion of bills. He also said that his recent assessment questioning the certainty of the CBO's cost estimates was a personal opinion, something he was not allowed to give as CBO director.

"CBO doesn't take positions; it prices bills," he said. "My personal opinion is that you can't take this bill at face value. I think a future Congress will change it."

Holtz-Eakin said he was required as head of the CBO to take the asbestos-reform bill at face value and assume that the program would sunset when it ran out of money, thereby sparing taxpayers its cost. But as a private citizen, Holtz-Eakin said he is now free to express his opinion that that scenario is unlikely because Congress would rather pay to keep it afloat than let it close.

"These are my views," he said. "I didn't know that Maurice Greenberg had an opinion on the bill."

The Chairman. We now go to the five-minute rounds by members.

Let me begin with you, Dr. Holtz-Eakin. I am a little surprised by the difference in your testimony today from the materials submitted by you when you were Director of the Congressional Budget Office.

The statement which you submitted as head of CBO said, "CBO expects the value of valid claims likely to be submitted to the fund over the next 50 years can be between \$120 billion and \$150 billion."

In the written statement which you submitted for today's hearing, you say, "Both the scale of the mandatory spending and the size of the revenues are highly uncertain."

There is a 180-degree difference between what you and now attributable to your position working for the Greenberg Center, and in effect, AIG?

Dr. Holtz-Eakin. Let me do those in reverse order. First, I am the director of that center. I am funded by the Council on Foreign Relations. My funding is from the Paul Volcker Chair in International Economics. I receive no funds from AIG, and my views today are my own.

The Chairman. Well, let us take up your own views, if you are not influenced by these other factors. How do you account for the statement that you make here that there is mandatory spending, and how do you account for the fact that you say "a future Congress and administration are guaranteed to turn to the taxpayer. How can you say that?"

Dr. Holtz-Eakin. Let me explain. The first statement, when I was Director of CBO, remains true today. It is the case that this will be mandatory spending in the Federal budget. It will not be subject to appropriation. It will fit every common-sense definition of mandatory spending.

The Chairman. It is mandatory until it runs out, Dr. Holtz-Eakin.

Dr. Holtz-Eakin. It will be the case that the legislation provides for a sunset—that is what I said, . . . and that remains true today—automatic, or at the discretion of the administrator, depending on the eyes of the—

The Chairman. Well, is there mandatory spending after the fund runs out?

Dr. Holtz-Eakin. There is a program in place that requires money to be spent.

The Chairman. Wait a minute. Does it require—

Dr. Holtz-Eakin. My judgment—

The Chairman. Wait a minute. Does it require the money to be spent or does it require Congress to act? Now, you say in your oral testimony here, "there will be political pressure to spend" and you challenge the Congress on any fiscal restraint.

How can you say what a Congress in the future will do? Congress will not be obligated

to spend the money once the \$140 billion is gone, will it?

Dr. Holtz-Eakin. The administrator will have the option to terminate the fund, is my reading of it. We can debate whether you think that is correct reading. It is my judgment, and my judgment alone, that in the future Congress would continue this program and an administrator would have an enormous technical difficulty in sunseting it at the appropriate time. It would be very hard to \* \* \*

#### 100TH ANNIVERSARY OF MINDEN, NEVADA

Mr. REID. Mr. President, I rise today to commemorate a historic and important event in Nevada. On July 2, 2006, the town of Minden will celebrate its 100th anniversary.

Located in the scenic Carson Valley, Minden is known for its beauty. The Carson Valley Mountain Range provides an imposing, but beautiful, background for the small community of 7,500. Minden is widely known for its small town charm because the town was mapped and planned before a single brick was laid. Visitors and residents of Minden can see the planning even today in the neatly laid streets and buildings. Minden retains its turn-of-the-century feel, and most of the original architecture is still evident in the town.

Like other communities in the Carson Valley, Minden was founded as a result of the railroad. In 1905, the Virginia and Truckee Railroad explored possible locations to expand their rail line. Heinrich Frederick Dangberg, offered to donate land from the H.F. Dangberg Land and Livestock Company for the expansion. The railroad accepted his offer, and Dangberg submitted a plan for the new town to the Douglas County Commissioners in 1906. In choosing a name for the new town, Dangberg honored his birthplace near Minden, Germany.

The Virginia and Truckee Railroad carried gold and silver from the famed Comstock Lode in Virginia City, NV. But by the time of their proposed expansion in 1905, the railroad began to look for new sources of revenue. They found a lucrative revenue source in transporting livestock, and the new branch of the railroad that ran through Minden became the main shipping route for livestock going from San Francisco to Chicago.

With the railroad and other businesses in the town, Minden and the neighboring community of Gardnerville became the center of commerce for the Carson Valley. In 1915, there was a growing sentiment to move the courthouse from Genoa to a more populated area. More than 150 people from the Carson Valley traveled to the state capital to see the Nevada Senate vote to move the county seat to Minden. With the completion of a new courthouse in 1916, Minden replaced Genoa as the county seat of Douglas County.

In 1925, one of the most famous Minden residents, David Derek